Common Problems Found During Property and Casualty Market Conduct Examinations

The State Corporation Commission's Bureau of Insurance (Bureau) has developed the following information to assist insurers with compliance problems frequently found during Property and Casualty Market Conduct Examinations. It is hoped that company personnel responsible for compliance will use it as a checklist to review their companies' operations in Virginia. Its purpose is not to provide specific guidance on how a company should conduct business in Virginia but to point out the areas in which the Bureau has found problems in the past. This list should not be considered all-inclusive, and the company should continue to review Title 38.2 of the Code of Virginia, the appropriate regulations, administrative letters, and orders to assure compliance.

Any questions regarding the contents should be addressed either in writing or by calling:

COMMONWEALTH OF VIRGINIA
State Corporation Commission
Bureau of Insurance
Property and Casualty Division
Market Conduct Section
P. O. Box 1157
Richmond, VA 23218
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Website

www.state.va.us/scc/division/boi/

TABLE OF CONTENTS

Private Passenger Automobile Terminations

Failure to provide a specific reason for the cancellation or nonrenewal of a policy. Subsection E 3 of § 38.2-2212 of the Code of Virginia requires that the company provide the insured with the specific reason for cancelling or nonrenewing the policy. The Bureau does not consider the following examples to be specific reasons: "loss history," "driving record," "claims," "prohibited risk," "underwriting reason," etc. The insured is entitled to know why his policy is being terminated, and the company must provide the specific reason.

Failure to provide the full number of days required when terminating a policy. Section 38.2-2212 of the Code of Virginia provides the various notice requirements for terminating a policy. Examiners frequently find that the company fails to provide the proper number of days' notice for the particular type of termination or fails to give the proper number of "full" days' notice. As most terminations are effective at 12:01 a.m., the company must be careful to give the required number of "full" days.

Failure to obtain or failure to provide copies of notices of cancellation of or refusal to renew a policy. Section 38.2-2208 of the Code of Virginia provides the retention requirements for notices of cancellation and nonrenewal of automobile policies. Companies are often unable to provide the examiners with copies of notices either because the companies fail to obtain the notice or because they do not have an adequate retention system. The inability to provide such a notice, while a violation of the statute, could also result in the company having to reinstate the policy and, perhaps, pay a claim. If the policy requires that the notice be sent to the lienholder, the company must also maintain a copy of that notice.

Failure to obtain or failure to provide proof of mailing of notice of cancellation or refusal to renew. Section 38.2-2208 of the Code of Virginia also provides the mailing requirements for notices of cancellation and nonrenewal of automobile policies. While the notice may be sent by registered or certified mail, most companies choose to obtain a written receipt from the United States Postal Service. The notice must show the name and address of the insured as stated in the policy. Examiners are finding that companies, in an attempt to reduce mailing costs, are using bulk mailing or other types of receipts that do not appear to meet the requirements of the Code. The company should carefully review the type of postal receipt obtained to ensure compliance.

Failure to handle correctly cancellations at the request of a premium finance company. A cancellation at the request of a premium finance company is an insured-requested cancellation and should be handled accordingly. If the company's contract provides for a short rate cancellation when the insured requests the policy to be cancelled, the earned premium should be calculated short rate when the policy is cancelled at the premium finance company's request. Subsection A of 14 VAC 5-390-40 (the Rules Governing Insurance Premium Finance Companies) requires the company to notify the insured, the insurance agent, and the premium finance company that the policy has been cancelled and provide them with a list of information that is required by the regulation. Examiners frequently find that companies are unaware of these requirements. The company should review 14 VAC 5-390-10 et seq. to determine its responsibilities under the regulation.

Homeowners Terminations

Failure to provide a specific reason for the cancellation or nonrenewal of a policy. Section 38.2-2114 of the Code of Virginia requires that the company provide the insured with the specific reason for cancelling or nonrenewing the policy. The Bureau does not consider the following examples of reasons used by companies to be specific: "loss history," "condition of property," "underwriting reasons," "prohibited risk," "no longer insurable," etc. The insured is entitled to know why his policy is being terminated, and the company must provide the specific reason.

Failure to obtain or failure to provide copies of notices of cancellation of or refusal to renew a policy. Section 38.2-2113 of the Code of Virginia provides the retention requirements for notices of cancellation and nonrenewal of homeowners policies. Companies are often unable to provide the examiners with copies of notices either because they fail to obtain the notice or because they do not have an adequate retention system. The inability to provide such a notice, while a violation of the statute, could also result in the company having to reinstate the policy and, perhaps, pay a claim. If the policy requires that the notice be sent to the lienholder, the company must also maintain a copy of that notice.

Failure to obtain or failure to provide proof of mailing of notice of cancellation or refusal to renew. Section 38.2-2113 of the Code of Virginia also provides the mailing requirements for notices of cancellation and nonrenewal of homeowners policies. While the notice may be sent by registered or certified mail, most companies choose to obtain a written receipt from the United States Postal Service. The notice must show the name and address of the insured as stated in the policy. Examiners are finding that companies, in an attempt to reduce mailing cost, are using bulk mailing or other types of receipts that do not appear to meet the requirements of the Code. The company should carefully review the type of postal receipt obtained to ensure compliance.

Cancelling policies mid-term for reasons not permitted by statute. Homeowners policies can only be cancelled after the first 90 days of coverage (or a lesser time period as specified in the cancellation provisions of the policy) for the five reasons listed in subsection A of § 38.2-2114 of the Code of Virginia. Examiners often find companies terminating policies for reasons not allowed, such as when the property is vacant or is no longer owner-occupied. The policy modifies coverage in some circumstances if the dwelling becomes vacant; therefore, it is not a reason to cancel mid-term. In order for the company to use a physical change in the property as a reason to cancel mid-term, the company must show that there has been a physical change since the policy was renewed. In most cases this would require two inspection reports to support the company's position that there has been a physical change. Companies should be very careful when terminating mid-term as the Code is very restrictive.

Commercial Automobile/Property and Liability Terminations

Failure to provide a specific reason for the cancellation or nonrenewal of a policy. Subdivision A 1 c of § 38.2-231 of the Code of Virginia requires that the company provide the insured with the specific reason for cancelling or nonrenewing the policy. The Bureau does not consider the following examples to be specific reasons: "loss history," "driving record," "claims," "prohibited risk," "underwriting reason," etc. The insured is entitled to know why his policy is being terminated, and the company must provide the specific reason.

Failure to provide the full number of days required when terminating a policy. Section 38.2-231 of the Code of Virginia provides the various notice requirements for terminating a policy. Examiners frequently find that the company fails to provide the proper number of days' notice for the particular type of termination or fails to give the proper number of "full" days' notice. As most terminations are effective at 12:01 a.m., the company must be careful to give the required number of "full" days.

Failure to obtain or failure to provide copies of notices of cancellation of or refusal to renew a policy. Subsection F of § 38.2-231 of the Code of Virginia provides the retention requirements for notices of cancellation and nonrenewal of certain commercial policies. Companies are often unable to provide the examiners with copies of notices either because they fail to obtain the notice or because they do not have an adequate retention system. The inability to provide such a notice, while a violation of the statute, could also result in the company having to reinstate the policy and, perhaps, pay a claim. If the policy requires that the notice be sent to the lienholder, the company must also maintain a copy of that notice.

Failure to obtain or failure to provide proof of mailing of notice of cancellation or refusal to renew. Subsection F of § 38.2-231 of the Code of Virginia also provides the mailing requirements for notices of cancellation and nonrenewal of certain commercial policies. While the notice may be sent by registered or certified mail, most companies choose to obtain a written receipt from the United States Postal Service. The notice must show the name and address of the insured as stated in the policy. Examiners are finding that companies, in an attempt to reduce mailing costs, are using bulk mailing or other types of receipts that do not appear to meet the requirements of the Code. The company should carefully review the type of postal receipt obtained to ensure compliance.

Failure to correctly handle cancellations at the request of a premium finance company. A cancellation at the request of a premium finance company is an insured-requested cancellation and should be handled accordingly. If the company's contract provides for a short rate cancellation when the insured requests the policy be cancelled, the earned premium should be calculated short rate when the policy is cancelled at the premium finance company's request. Subsection A of 14 VAC 5-390-40 (Rules Governing Insurance Premium Finance Companies) requires the company to notify the insured, the insurance agent, and the premium finance company that the policy has been cancelled and provide them with a list of information that is required by the regulation. Examiners frequently find that companies are unaware of these requirements. The company should review 14 VAC 5-390-10 et seq. to determine its responsibilities under the regulation.

Automobile Rating

Charging points or increasing premium because of accidents. Section 38.2-1905 of the Code of Virginia provides the guidelines for charging points or increasing premiums for accidents in which the insured was wholly or partially at fault. Administrative Letters 1992-25 and 1980-12 provide further clarification and require that the company have proof of fault prior to the assignment of points. Examiners often find that a company has increased the insured's premium without first obtaining evidence of fault. The company should also ensure that the point is assigned to the vehicle customarily driven by the operator responsible for the accident as required by subsection C of § 38.2-1905 and Administrative Letter 1990-9.

Improper rounding of Uninsured Motorist (UM) rates. A company is not permitted to "round up" any of the UM rates established by State Corporation Commission order. The company may only "round down" the rate if it has filed a "rounding-down" rule with the Bureau. Examiners frequently find companies' computer rating systems automatically rounding UM rates, either up or down, without the proper filing being made. Furthermore, UM rates may not be modified for any reason by any type of credit or debit factor.

Failing to document individual risk premium modifications. Subsection C of § 38.2-1904 of the Code of Virginia allows a company to modify class rates for individual risks in accordance with rating plans that establish standards for measuring variations in risk. Administrative Letter 1983-9 provides guidance for filing these rating plans and also states that justification for the variations must be kept on an individual risk basis. Administrative Letter 2001-12 reiterates that all premium debits and credits which are applied pursuant to any schedule rating plan/individual risk premium modification plan must be supported by evidence documented in the underwriting file of every new business and renewal policy. Examiners frequently find no evidence to support the IRPM credits or debits in the underwriting file. This documentation should be available for review and kept current.

Using rates that have not been filed or that have been superseded. The company must use the rates it has on file with the Bureau. Examiners frequently find that a company will use rates that have not been filed or that have been superseded by a new filing. *Companies that use advisory loss costs provided by rate service organizations and file their own expense multipliers* should carefully review Administrative Letter 1990-5 and the VA RFA-1 forms filed with the Bureau to ensure that the proper rates are being used. Please also refer to the Virginia Property and Casualty Rules, Rates, and Forms Filing Guidelines Handbook for more specific guidance.

Miscellaneous rating problems. Other common problems include incorrect territories, symbols, and classifications. While all random errors cannot be prevented, the company is encouraged to review its internal auditing program in order to check as many mistakes as possible. The company should also check any automated rating system to ensure that it is programmed to rate in accordance with the company's filed rating plan. (While this might seem obvious, examiners frequently see situations where there has been a programming error that causes many policies to be rated incorrectly.)

Commercial Property and Liability Rating

Failing to document individual risk premium modifications. Subsection C of § 38.2-1904 of the Code of Virginia allows a company to modify class rates for individual risks in accordance with rating plans that establish standards for measuring variations in risk. Administrative Letter 1983-9 provides guidance for filing these rating plans and also states that justification for the variations must be kept on an individual risk basis. Administrative Letter 2001-12 reiterates that all premium debits and credits which are applied pursuant to any schedule rating plan/individual risk premium modification plan must be supported by evidence documented in the underwriting file of every new business and renewal policy. Examiners frequently find no evidence to support the IRPM credits or debits in the underwriting file. This documentation should be available for review and kept current.

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Claims--All Lines

Failure to document adequately claims file. The Rules Governing Unfair Claim Settlement Practices (14 VAC 5-400-10 et seq.) require that a claim file contain all notes and work papers pertaining to the claim and that they be in enough detail that pertinent events and the dates of those events can be reconstructed (see 14 VAC 5-400-30). The old claims adage *"If it isn't in the file, it never happened"* is the governing rule with regard to documentation. If the file does not contain a denial letter, a copy of the estimate, a note indicating a coverage has been discussed, a response to an inquiry, etc., the examiner cannot assume the file was handled correctly. Claim handlers should be instructed that their actions must be documented and that written company procedures do not take the place of supporting documentation.

Failure to advise insured of benefits or coverages of the policy. The Rules Governing Unfair Claim Settlement Practices (14 VAC 5-400-10 et seq.) require a company to advise first party claimants of the benefits, coverages or other provisions of the policy when those benefits, coverages or other provisions are pertinent to a claim (see 14 VAC 5-400-40). Examiners frequently see examples of a claim handler failing to mention the first party coverages available, even though the claims report clearly indicates that the coverage is pertinent to the claim. The areas where this happens most often are medical expense/loss of income coverage, rental reimbursement coverage, uninsured/underinsured motorist coverage (including bodily injury, rental reimbursement, loss of income, reimbursement of collision deductible), and personal effects coverage on the auto policy in the case of a fire loss. The problems in this area are often caused by the failure to *document* properly the file regarding the discussions held with the claimant.

Failure to deny a claim in writing. Subsection A of 14 VAC 5-400-70 (Rules Governing Unfair Claim Settlement Practices) requires *any* denial to be given to the claimant in writing. A claim is defined as a demand for payment. If the company is presented with a bill or a receipt from the claimant, a demand has been made. If the company denies payment, in whole or in part, a written denial must be given to the claimant and a copy maintained in the claim file.

Failure to provide explanation for denial. Subsection B of 14 VAC 5-400-70 (Rules Governing Unfair Claim Settlement Practices) requires that any written denial contain a reasonable explanation of the basis for the denial and that specific reference to a policy provision, condition or exclusion be made if the denial is based on the provision, condition or exclusion. Examiners often find that the denial letter only states that the loss is "not covered" with no further explanation.

Failing to state the coverage under which the claim is paid. Subsection A 10 of § 38.2-510 of the Code of Virginia requires that any payment of a claim be accompanied by a statement indicating the coverage under which the payment is being made. This can be accomplished by providing this information on the check or draft. Examiners frequently find that the company uses the peril instead of the coverage, uses an incorrect coverage, or does not provide any information. While the company can include the peril or other information that more clearly describes the loss, the coverage must be included.

Automobile Claims

Failing to give a copy of the repair estimate to the claimant. Subsection D of 14 VAC 5-400-80 (Rules Governing Unfair Claim Settlement Practices) requires that if an insurer prepares an estimate of the cost to repair an automobile, the insurer must give a copy of the estimate to the claimant. This is frequently a documentation problem as most companies have procedures that require the estimate to be given to the claimant. However, examiners find no evidence in the file to support that practice.

Failing to properly pay the sales and use taxes on a totaled automobile when the insured retains the salvage. All three of the personal automobile policy forms (Personal Auto Policy, Family Auto Policy, Special Package Auto Policy) provide for the payment of the applicable state and local sales and use tax when the company settles a claim by paying the actual cash value of the automobile. Examiners frequently find companies fail to pay these taxes when the insured retains the salvage. There is nothing in any of the policies that excludes payment of these taxes when the insured retains the salvage. The company should review its claim handling guidelines to ensure that the proper payments are being made. The minimum sales tax is $35.00.

Failing to handle Uninsured Motorist (UM) claims correctly. UMPD coverage is excess coverage, and physical damage claims should be paid under the collision coverage first, if that coverage is available. If the UMPD deductible is less than the collision deductible, the difference between the two deductibles should be paid under UM. For example, if an insured has collision coverage with a $500 deductible and sustains $1,000 of damage caused by a known uninsured motorist, the company should pay $500 under the collision coverage and $500 under the UM coverage. If the uninsured motorist was unknown, the company should pay $500 under the collision coverage and $300 under the UM coverage ($500 less the $200 UM deductible).

Another area of UM coverage in which we frequently see problems involves rental expenses. If the insured is entitled to recover for the damage to a motor vehicle, he would also be entitled to rental expenses incurred (§ 8.01-66 of the Code of Virginia). Again, UMPD would be excess over any first party rental reimbursement coverage the insured has available.

Incorrectly applying deductible to fire claims. Virginia automobile standard form NAUA 206a is a mandatory form when there is a Comprehensive Deductible on a Family Automobile Policy (FAP). This form states that the deductible does not apply to losses caused by fire or lightning. Examiners frequently find that the company has not attached this form to the policy, or when it is attached, the claims handler is unaware that the deductible does not apply to a fire or lightning loss. This form is not attached to the Personal Automobile Policy (PAP) or the Special Package Automobile Policy (SPAP) and the deductible would be applied to fire losses covered under those standard policy forms.

Homeowner Claims

Failure to properly pay replacement cost claims. Section 38.2-2108 of the Code of Virginia allows for the establishment of standards for the content of any policy or endorsement used in the connection with any policy written to insure owner-occupied dwellings in the Commonwealth. 14 VAC 5-340-10 et seq. provides the minimum standards for homeowners policies issued in the Commonwealth. Each of the standards for homeowners policies provide for replacement cost coverage. Therefore, when an insured makes a claim under a homeowners policy, they are making a replacement cost claim. The minimum standards state that the "Company shall not be liable for any loss under …. unless and until actual repair or replacement is completed". While a company can hold an insured to this provision, most companies and rate service organizations have filed homeowners policies that are broader and allow for the payment of the actual cash value (ACV) prior to replacement. The payment of the ACV does not change the claim from a replacement cost claim to an ACV claim, thereby subjecting the claim to the settlement provisions of an ACV claim stated in the policy and required by subsection B of § 38.2-2119. Examiners frequently find companies imposing these requirements on insureds when they have not made an ACV claim under the contract. See below for clarification on how an ACV claim should be handled.

Failure to advise the insured correctly of his right to file a claim for replacement cost after making an ACV claim. Subsection B of § 38.2-2119 of the Code of Virginia requires that any policy that provides coverage on a replacement cost basis must allow the insured to make a claim for the actual cash value (ACV) of the loss. If a claim is made for the ACV, the insured then has the right to file a claim for the difference between the ACV and the replacement cost. The claim for the difference must be made within six months of the last date on which the insured received a payment for ACV, or the date of entry of a final order of a court of competent jurisdiction declaratory of the right of the insured to full replacement cost, whichever shall last occur. Examiners frequently find that companies incorrectly advise insureds that replacement cost claims must be made within 180 days of the date of the loss (this statute was amended effective July 1, 1992). The examiners also frequently find companies telling insureds that they have six months to make repairs or replacements when the insureds have made replacement cost claims. The company should review all policy forms that provide replacement cost coverage to ensure that the language of the form is correct. The company should also review its claims handling procedures and all form letters that address this situation.

Forms and Required Notices

Using forms that have not been filed or that have been superseded. The most common problems examiners find with policy forms are the use of forms that have not been filed with and approved by the Bureau, or forms that have been superseded. Virginia has standard forms for automobile policies, and these forms are approved by Administrative Order. Examiners frequently find that companies are not using the current version of the form, which violates the Administrative Order. Most other forms must be approved by the Bureau prior to use. The company should review all forms to ensure they are either the correct standard form or the company has filed and received approval from the Bureau. Please refer to the Virginia Property and Casualty Rules, Rates, and Forms Filing Guidelines Handbook for more specific guidance.

Failure of policies to contain all conditions pertaining to the insurance. Subsection A of § 38.2-305 of the Code of Virginia provides the requirements for what must be included in an insurance policy. Examiners frequently find that companies do not include all of the conditions of the policy by failing to attach a specific policy form or by failing to refer to a particular form on the declarations page. If the form is not attached to a renewal policy, it should be listed on the declarations page showing the form number and the edition date.

Failure to provide the IMPORTANT INFORMATION TO POLICYHOLDERS notice providing company and Bureau contact information. Subsection B of § 38.2-305 of the Code of Virginia requires that a specific notice be provided with each new or renewal insurance policy, contract, certificate or evidence of coverage issued to a policyholder, covered person or enrollee that reads substantially the same as the notice in the Code. Examiners frequently find that this notice is not given when policies are renewed or when a renewal certificate is issued. The statute was amended effective July 1, 1997, and now clearly states when the notice should be given. The company should ensure that this notice is being given when required.

Failure to advise insured of availability of Medical Expense coverage.
Subsection A of § 38.2-2202 of the Code of Virginia requires that no original premium notice for insurance covering liability from the ownership, maintenance or use of any motor vehicle can be issued unless the IMPORTANT NOTICE provided in the statute is included. The notice can be on the front of the premium notice or can be enclosed with the premium notice. It must be in boldface type and read exactly as stated in the statute. Examiners often find that this notice is not given when new policies are issued or that the notice is not worded correctly as required by statute.

Failure to offer rental reimbursement coverage. Section 38.2-2230 of the Code of Virginia requires that every insurer issuing a new or renewal policy of motor vehicle insurance as defined in § 38.2-2212, which provides comprehensive or collision coverage, must advise the insured of the option of purchasing rental reimbursement coverage. The company should ensure that this offer is being made as required.

Failure to provide warning concerning cancellation on application for motor vehicle liability insurance. Section 38.2-2210 of the Code of Virginia requires that a specific notice be printed on or attached to the first page of an automobile application form in boldface type. Examiners frequently find that this notice is not provided, or provided someplace other that the first page of the application. The company should review its application to ensure compliance

with all of the requirements of this section of the Code of Virginia. This requirement only applies to applications for liability insurance on motor vehicles as defined in § 38.2-2212.

Failure to offer coverage for loss caused by back up through sewers and drains. Section 38.2-2120 of the Code of Virginia requires any company that issues or delivers a homeowners policy to offer coverage to cover a loss caused by water that backs up through sewers or drains. Administrative Letter 1980-2 states that this notice must be given at the time the policy is renewed as well as at the time a policy is initially delivered. The company should ensure that this offer is being made as required.

Failure to offer ordinances and laws coverage. Section 38.2-2124 of the Code of Virginia requires any company that issues a policy of fire insurance or fire insurance in combination with other coverage must offer a provision that allows for the property to be repaired or replaced in accordance with applicable ordinances or laws that regulate construction, repair, or demolition. This offer must be made with all new and renewal policies. The company should ensure that this offer is being made as required.

Notices-Information Collection and Disclosure Practices

Notice of Insurance Information Collection and Disclosure Practices. This notice is required by § 38.2-604 of the Code of Virginia. For applicants, this notice must be given when the insurance company/agent initiates the *collection* of personal information. If personal information is not collected before the issuance of the policy, the company must give the notice when the policy is issued. The notice must be given on renewal when the company *collects* personal information about the policyholder unless a notice has been given in the last 24 months. Once the policy is issued and the company never *collects* personal information about a policyholder, the notice does not have to be given again. Personal information includes medical-record information, MVRs, credit reports, CLUE reports, etc.

The company may give an abbreviated notice as set forth in subsection C of § 38.2-604. However, every company using the abbreviated notice must have a long notice as set forth in subsection B of § 38.2-604 to provide if requested by the applicant or policyholder. The notice must be in writing or, if the policyholder agrees, in electronic format.

Notice of Financial Information Collection and Disclosure Practices. This notice is required by § 38.2-604.1 of the Code of Virginia. For applicants, this notice must be given before financial information is *disclosed* to nonaffiliated third parties if the disclosure is made other than as permitted by § 38.2-613. The company may provide the long notice set forth in subsection B of § 38.2-604.1 accompanied by the opt-out notice set forth in subsection A of § 38.2-612.1. Or, the company may provide the short notice as set forth in subsection D of § 38.2-604.1 accompanied by the opt-out notice set forth in subsection A of § 38.2-612.1.

If an applicant becomes a policyholder and the company has not provided a financial information and disclosure notice because no financial information about applicants is disclosed to nonaffiliated third parties except as permitted by § 38.2-613, the company must provide a notice at the time the policy is issued or delivered. The company must provide the long notice set forth in subsection B of § 38.2-604.1. If the company's financial information disclosure practices meet the narrow requirements for the short notice set forth in subsection C of § 38.2-604.1, the company may provide the short notice instead. The disclosure practices that allow the company to use the short notice is that the company does not disclose and does not wish to reserve the right to disclose financial information about policyholders and former policyholders to *affiliates* or *nonaffiliated third parties* except as permitted by subsection B of § 38.2-613.

For renewals, the company must give a notice not less than once each calendar year. The company must give the notice set forth in subsection B of § 38.2-604.1. If the company's financial information disclosure practices meet the exception for the short notice set forth in subsection C of § 38.2-604.1, the company may provide the short notice instead. The disclosure practices that allow the company to use the short notice is that the company does not disclose and does not wish to reserve the right to disclose financial information about policyholders and former policyholders to *affiliates* or *nonaffiliated third parties* except as permitted by subsection B of § 38.2-613.

If the company discloses financial information about policyholders except as permitted by

§ 38.2-613 to *nonaffiliated third parties* the company must give the policyholder the opt-out notice set forth in subsection A of § 38.2-612.1 at the same time the company provides the notice set forth in subsection B of § 38.2-604.1

Financial information includes personal information except medical-record information. The notice must be in writing or, if the policyholder agrees, in electronic format.

Problems found during review of these forms:

- *Both* forms are required because triggers are different.
  - Collection of personal information triggers notice required in § 38.2-604
  - Disclosure of financial information triggers notice required in § 38.2-604.1
- Companies create a national/regional GLBA notice and do not review the requirements of Virginia law.
- Combining these notices is:
  - Permissible
  - Difficult because triggers are different
  - Difficult because information required to be in the two notices is different
- Companies are not providing these notices at the proper time.
- Some companies think that the GLBA notice required by § 38.2-604.1 takes the place of the former § 38.2-604 notice.